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DEPARTMENT FOR ISN/NESS, EEB/CBA AND NEA/ARP
NSC FOR JOST

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TAGS: ENRG KNNP PGOV ECON ETRD AE

SUBJECT: UAE NUCLEAR LAW PASSED; NUCLEAR REGULATOR CREATED

CLASSIFIED BY AMBASSADOR RICHARD G. OLSON FOR REASONS 1.4 B AND D

REFS: A) ABU DHABI 827
B) ABU DHABI 688
C) 08 ABU DHABI 1086

¶11. (C) Summary: On October 4, UAE state news agency WAM announced that President Khalifa had signed Federal Law No. 6/2009 regarding Peaceful Uses of Nuclear Energy. Codifying the UAE's stated policy, Article 2 states "The design, development, construction and operation of facilities for enrichment or reprocessing shall not be permitted in the state." When the law is published in the Official Gazette (expected shortly), the Federal Authority for Nuclear Regulation (FANR) will be officially established. The law establishes an independent FANR board and sets strict penalties for violations. A separate law on nuclear liability is expected to be passed in October, along with a Presidential Decree created the Emirates Nuclear Energy Corporation as an Abu Dhabi entity. These legal steps pave the way for the awarding of the nuclear tender to one of three consortia (Ref A), likely in early November. End Summary.

¶12. (C) On October 5, Executive Affairs Authority Director for Economic Affairs David Scott passed Econoff a copy of the law. (Note: Post will email Arabic text and unofficial English translation to NEA/ARP and ISN/NESS. End Note.) Scott highlighted Article 2's renunciation of domestic enrichment and reprocessing (ENR). He also noted Articles 10 and 13, which include provisions for a strong and independent board of directors for the Federal Authority for Nuclear Regulation (members listed in para 4) that prohibits members from "directly or indirectly" engaging in any regulated activity or having any conflicts of interest. The civil and criminal penalties outlined in Chapter 10 are also very strict, particularly in comparison to other UAE legislation.

¶13. (C) FANR Director General Bill Travers told EconOff on October 5 that the law's release was specifically timed to precede SFAC hearing on the US-UAE 123 Agreement on October 7. (Note: The Arabic text of the law reveals President Khalifa actually signed it on September 10. End Note.) Travers said that he held his first meeting with the new FANR Board on October 4, although an additional unnamed member (from the Ministry of Environment) was added the evening of October 4, likely an effort to increase representation from other emirates on the federal authority. Travers said a special edition of the Official Gazette was expected to be issued in the coming days, to facilitate FANR's official status immediately.

¶14. (SBU) The FANR Board consists of a number of prominent Abu Dhabi officials well-known to the Embassy, including:

-- Chairman Dr. Ahmed Al Mazroui, Chairman of the Health Authority - Abu Dhabi
-- Deputy Chairman Abdulla Nasser Al Suwaidi, Deputy CEO of the Abu Dhabi National Oil Company (ADNOC)
-- Amb. Hamad Ali Al Kaabi, MFA Special Representative for

International Nuclear Cooperation and UAE IAEA PermRep
-- Majid Ali Al Mansouri, Secretary General of the Environment Agency
- Abu Dhabi (EAD)

The Board also includes less known figures from Abu Dhabi and Dubai:

-- Abdulkader Ibrahim Al Khayat, former Dubai Police forensics expert
-- Dr. Ali Mohammed Shaheen, Executive Director, Dubai-based Emirates Institute for Advanced Science and Technology
-- Saif Mohamed Al Zaabi, reportedly from the National Security Council
-- Ali Shaer Al Dhaheri, unknown
-- An unnamed representative from the Ministry of Environment and Water

¶5. (C) Comment: The passage of the law represents a key step in the UAE's plans to pursue nuclear energy and the codification of its stated policy on ENR. The recognition of the negative optics of awarding the nuclear tender in advance of the law's passage likely led to the tender's delay. End Comment.

OLSON